Maryland Energy Administration

Powering Maryland's Future

2014 EmPOWER Clean Energy Communities

Low-to-Moderate Income Grant Programs

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Maryland Energy Administration

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November 5, 2013

November 14, 2013

Agenda

- **Overview of Grant Programs**
- **Grant Documents**
- **Q & A**

2014 Grant Programs

For fiscal year 2014 the Maryland Energy Administration is able to offer two platforms for the EmPOWER Clean Energy Communities Low-to-Moderate Income Grant Program designed to support energy efficiency and conservation programs, projects, or activities and demand response programs for low-to-moderate income Marylanders:

1) The "traditional" program that has been available since 2009 and;

2) A new competitive program that is seeking out innovative ideas and solutions for communities, neighborhoods, or entire buildings.

2014 Grant Program

1) EmPOWER Clean Energy Communities Low-to-Moderate Income Grant Program

- FY 2014 funding: **$3.5 million**
- Grant funds have been allocated on a county-by-county basis, based on the number of low-to-moderate income households in each county.
- For organizations interested in applying for grants in multiple counties, a separate grant application must be submitted for each county.

County Allocations-FY 2014

County	Allocation	County	Allocation
Allegany	$100,000	Harford	$100,000
Anne Arundel	$161,500	Howard	$100,000
Baltimore City	$342,500	Kent	$100,000
Baltimore County	$340,000	Montgomery	$345,000
Calvert	$100,000	Prince George’s	$379,000
Caroline	$100,000	Queen Anne’s	$100,000
Carroll	$100,000	St. Mary’s	$100,000
Cecil	$100,000	Somerset	$100,000
Charles	$100,000	Talbot	$100,000
Dorchester	$100,000	Washington	$100,000
Frederick	$100,000	Wicomico	$100,000
Garrett	$100,000	Worcester	$100,000

2014 Grant Program

2) EmPOWER Clean Energy Communities Low-to-Moderate Income <u>Competitive</u> Grant Program

- FY 2014 funding: **<u>$5.5 million</u>**
- This competitive program is open to the whole state
- MEA will issue awards ranging from $40,000 up to $1,000,000
- For innovative ideas directed at helping communities, neighborhoods, or entire buildings
- We are looking for your proposals

Grant Timing *(Both Grants)*

- Application deadline: Saturday, November 30, 2013
- Grant Agreements available for signature: February 2014 (goal)
- Grant Execution Period: Date of signature- September 30, 2014
- Invoicing Deadline: October 31, 2014

Eligible Applicants

- Local governments
- Incorporated non-profit organizations

Grant Requirements

Requirements:

- Energy efficiency
- Benefit low-to-moderate income Marylanders
  - Low and moderate income households are defined as households with total household income that are less than 60% and 85% respectively of median income for each Maryland County.

http://dhcd.maryland.gov/website/programs/prhp/Documents/2013_MD_Income_Limits.pdf

Grant Evaluation Criteria *(Both Programs)*

MEA will complete evaluations on a county-by-county basis using the following criteria:

Primary Criteria:

1. Annual Energy Savings per $ of MEA investment
2. Impact on Maryland's low-to-moderate income residents over a fifteen year period
    - 15 years is the anticipated life of many energy measures.

3. Applicant's willingness and ability to deliver energy upgrades to households that are not eligible for assistance through other programs.

Grant Evaluation Criteria

How should the number of residents that will benefit over 15 years be calculated?

Scenario #1: Residential, privately owned home with 4 residents. The homeowners are assumed to stay in the home for 15 years.

# of residents benefitting over 15 years: 4 residents (or 1 household)

Scenario #2: A rental home owned by a non-profit. The home houses up to 4 people. On average, each household normally stays in the home for 3 years.

# of residents benefitting over 15 years:

[(4 people/household)*(15 years/residents change every 3 years) = 4*(15/3) = 20 residents (or five households)

Grant Evaluation Criteria

Secondary Criteria for:

1) EmPOWER Clean Energy Communities Low-to-Moderate Income Grant Program:

1. The ability of the project to be completed and invoices submitted within the stated grant period of performance.
2. Applicant's past performance complying with grant program requirements (if applicable).
   - Status reports turned in monthly with the required energy metrics.
   - Project finished during the given grant timeline.
3. Location, as related to projects occurring within the State's Priority Funding Areas.

State of Maryland
Priority Funding Areas

- Priority Funding Areas are locations where the State and local governments want to target their efforts to encourage and support economic development and new growth.
- The following areas qualify as Priority Funding Areas:
  - every municipality, as they existed in 1997;
  - areas inside the Washington Beltway and the Baltimore Beltway; and
  - areas already designated as enterprise zones, neighborhood revitalization areas, heritage areas and existing industrial land.
- Priority Funding Areas can be looked up on the Maryland Department of Planning website at http://www.mdp.state.md.us/OurWork/PFAIMap.shtml.


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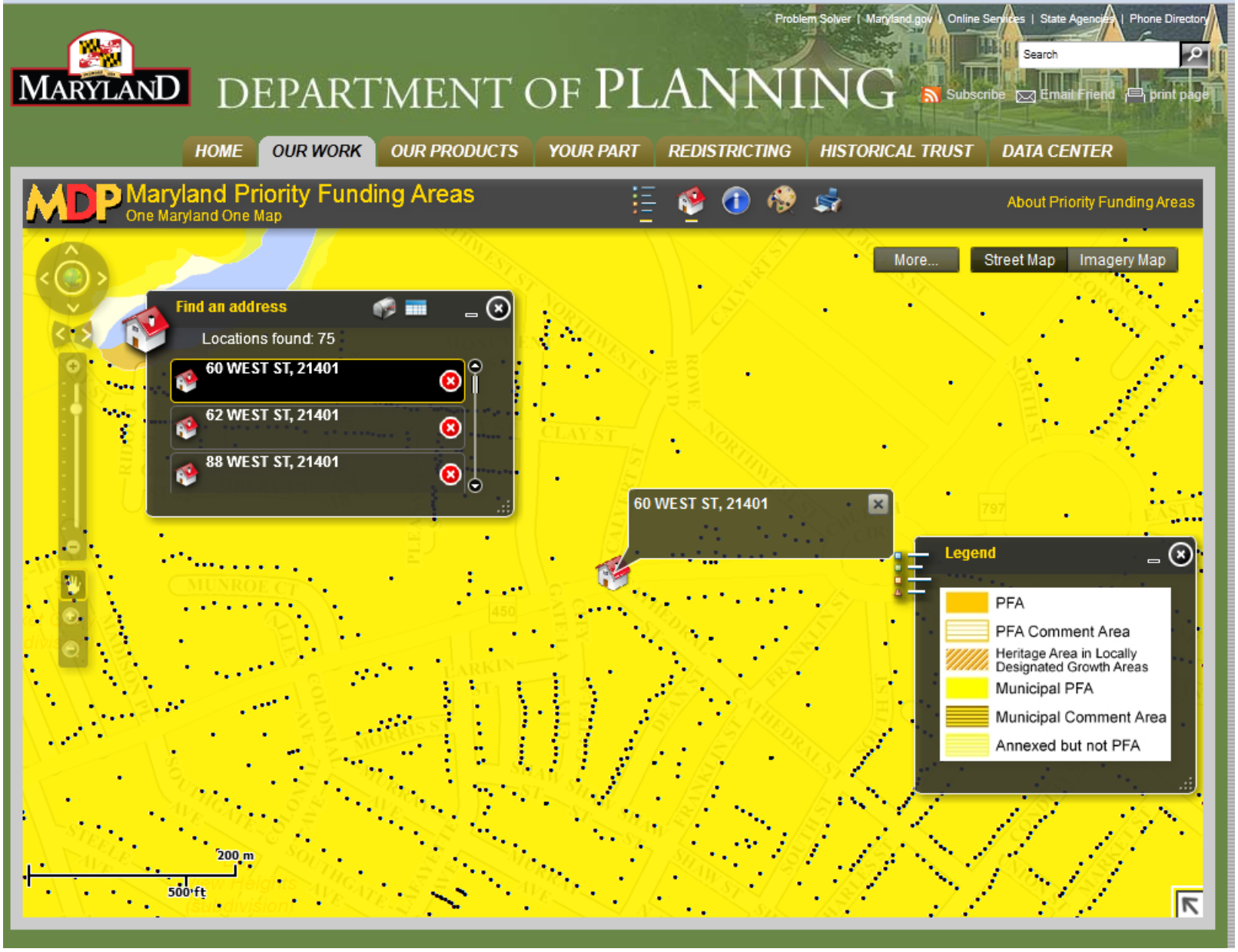
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Legend
PFA
PFA Comment Area
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Municipal PFA
Municipal Comment Area
Annexed but not PFA
200 m
500 ft

Grant Evaluation Criteria

Secondary Criteria for: 2) EmPOWER Clean Energy Communities Low-to-Moderate Income Competitive Grant Program:

1. Best practices/showcase project: Does the project demonstrate energy efficiency best practices and have strong potential as a model for others?
2. Project feasibility: Can the proposed project be completed in the available construction window?
3. Accuracy of energy savings and cost information for the project:
    1. How accurate are the applicant's estimates?
    2. Are assumptions behind the numbers clearly stated, to enable the review team to evaluate the project?
4. Innovative technologies: How creative and novel are the technologies employed in the proposed project?

EmPOWER Clean Energy Communities Low-to-Moderate Income Competitive Grant Program

Suggested Ideas:

- **Cool Roofs:**
- **Deep Retrofits**
- **Non-Profit Buildings**
- **Neighborhood Sweep**
- **Energy Coach**
- **What else?**

What other innovative ideas directed at helping communities, neighborhoods, or entire buildings can you come up with?

Eligible Use of Grant Funds

- Primarily for the purchase and installation of energy efficient equipment.
- A limited amount of funds can be used to pay for energy audits, technical assessments, and engineering.
- Grant funds need to be used in a way that clearly benefits low-to-moderate income Marylanders.

Grant Restrictions

- The State of Maryland has adopted the 2012 International Energy Efficiency Code (IECC). All projects funded through the EmPOWER Clean Energy Communities program should comply with the 2012 IECC Code.
  - Higher insulation levels: Zone 4 now requires R49 for ceilings (previously R38)
  - HVAC: Manual J calculation

Grant Restrictions

- Home Energy Retrofits
  - In homes where HVAC upgrades are not occurring, home retrofits are capped at a maximum of $5,000 per home.
  - In home retrofits where a HVAC upgrade is deemed necessary, the retrofit is capped at a maximum of $8,000 per home.
  - MEA encourages the use of the Home Performance with ENERGY STAR program for home retrofits. Home Performance with ENERGY STAR contractors can be found at http://www.mdhomeperformance.org/.

Grant Restrictions

- New home construction projects: MEA will only fund the incremental costs of upgrading to a higher level of efficiency.
  - For example, MEA will pay for the costs of upgrading from a baseline efficiency heat pump (SEER 13) to a higher efficiency heat pump (SEER 15).
  - [Cost of the SEER 15 heat pump]- [Cost of the baseline SEER 13 heat pump] = [MEA funding]

Grant Restrictions

- Appliance (including HVAC) replacements:
  - All appliances purchased through the grant program must be ENERGY STAR qualified. If an ENERGY STAR version is not available, MEA will not fund the appliance replacement (i.e. clothes dryers, ovens, and microwaves).

- Refrigerators: If any refrigerator is replaced using EmPOWER Clean Energy Communities grant funding, the maximum reimbursement amount is $800 per ENERGY STAR qualified refrigerator.

Grant Restrictions

- Water Heaters
  - ENERGY STAR no longer qualifies electric tank water heaters and electric instantaneous (on demand) water heaters. For this reason, MEA will no longer fund electric tank water heater or electric instantaneous water heater replacements. ENERGY STAR qualified heat pump water heaters and natural gas water heater replacements are still eligible for grant funding.
- Renewable energy technologies
  - Renewable energy technologies such as solar hot water, solar photovoltaic, and wind are not eligible for EmPOWER Clean Energy Communities low-to-moderate income energy efficient grant funds

Grant Restrictions

- Fuel Switching
  - In general, MEA does not normally approve projects that involve fuel switching.
    - Example: replacing a heat pump with a natural gas furnace

- Low income residents
  - Low income residents can't be charged for participation in programs receiving EmPOWER Clean Energy Community grant awards.

Grant Limitations

- Residential Energy Upgrades
  - MEA encourages all grantees designing projects that involve residential energy efficiency upgrades to focus on households that are otherwise ineligible for assistance through the Weatherization Assistance Program (WAP) or the EmPOWER Maryland Low Income Energy Efficiency Program (LIEEP) programs operated by the Department of Housing and Community Development.

Funding From Other Sources

- While matching funds are not required, Grantees are encouraged to make a contribution or to leverage non-MEA funding in order to maximize the amount of energy savings achieved through the project. Matching funds can include:
  - Cash
  - In-kind services
  - Equipment, labor, or materials

- The EmPOWER Maryland programs operated by the five largest Maryland electrical utilities are one possible source of leveraged funding.

Funding From Other Sources

- BGE: http://www.bgesmartenergy.com/
- Delmarva Power: http://www.delmarva.com/energy/conservation/mdinformation/
- Pepco: http://www.pepco.com/energy/conservation/meiin/
- Potomac Edison (formerly Allegheny Power): https://www.firstenergycorp.com/content/customer/save_energy/save_energy_maryland.html
- SMECO: http://www.smeco.coop/save/

Administrative Costs

- Administrative costs for non-energy related expenses are allowed but must not exceed 10% of the grant award.

- If you plan on requesting administrative costs, a breakdown of the administrative costs must be included with the project proposal.

Health & Safety Repairs

- For projects involving whole home energy retrofits, non-energy related health and safety repairs are capped at $1,000 per home.

Maryland Historical Trust Review

- Grant recipients will be required to provide MEA with documentation from the Maryland Historical Trust, or other qualified historian, showing that the proposed project will have “no adverse effect” on historic properties.
  - MEA currently has a contractual in-house historian who can help with the majority of the historical reviews.
  - In the future, these reviews may have to go directly to the Maryland Historical Trust.

Grant Documents

- Application
- Grant Agreement
- Reporting
- Invoicing

Grant Applications

- The grant application is provided in WORD format.
- Please be sure to submit the application in a WORD 1997-2003 format or in PDF form.
- File size: Please try to keep electronic files being submitted to less than 10 MB in size.
- Feel free to attach necessary supporting documentation
- You may break down to applications if necessary:
  - Label them as “Part 1”, “Part 2”, etc…

Grant Application

- Annual Energy Savings (Application Question #26)
  - For residential energy projects, grantees should use the list of Residential Energy Assumptions outlined on pages 8 and 9 of the grant instruction document to estimate energy savings.
    - Based on formulas from the Mid-Atlantic Technical Reference Manual.
  - For commercial energy measures and/or residential energy measures not listed in the list of residential energy assumptions, applicants can use energy audits, U.S. Department of Energy (DOE) or ENERGY STAR calculators, etc.
    - ARRA Calculator
    - DOE Cool Roof Calculator
    - Energy Saving Calculators from ENERGY STAR
      - Commercial Kitchen Equipment Savings Calculator, Appliance Savings Calculator, Air Conditioning, Room – Savings Calculator, Central Air Conditioning - Savings Calculator, Dehumidifiers Savings Calculator, Air Source Heat Pump Savings Calculator, Furnaces - Savings Calculator, Compact Fluorescent Light Bulbs - Savings Calculator, Exit Signs – Savings Calculator

Sample Energy Savings Calculation

Example: A grant applicant proposes to complete three whole home retrofits. All three homes have electric heat pumps. Likely energy measures include air sealing and the installation of 1 low flow showerhead, 2 faucet aerators, and 5 CFLs per home.

For each electric home:

Air sealing – air conditioning savings: ΔkWh/year = 309

Air sealing- heat pump (heat only) savings: ΔkWh/year = 943

Low flow showerhead in a home with an electric water heater: ΔkWh/year = 168

Faucet aerators in a home with an electric domestic water heater: ΔkWh/year = 29 * 2 per home

Replacement of an incandescent bulb with a CFL: ΔkWh/year = 30 * 5 CFLs/home

Total anticipated energy savings per home: (309+943+168+29*2+30*5) = 1628 kWh/year

Total anticipated energy savings (entire project) = 5 *1628 kWh = 8140 kWh/year

Grant Agreement

- For applicants selected to receive grant awards, your organization will be required to enter into a grant agreement with MEA.
- Grant agreements are negotiated between MEA and the grant applicant. Applications may not be funded exactly as written.
  - Grant $ amount
  - Fundable measures

Grant Invoicing

- All grant funds will be distributed through a reimbursement process. No grant funds will be distributed in advance.
- To receive reimbursement, grantees must submit:
  - An invoice on grantee letterhead with the grantee's federal tax identification number
    - MEA has also provided a template invoice for organizations to use
  - Supporting documentation justifying the reimbursement request.
    - Receipts
    - Invoices

Grant Reporting

- Sample grant reporting forms can be found in the EmPOWERing Clean Energy Communities grant program instruction document.

- Grantees will be required to submit a grant report each month. Monthly grant reports are due to MEA by the end of the next month (i.e. the February 2013 report should be submitted to MEA by the end of March 2013).

Grant Reporting

- Grantees are required to report on the number and type of energy efficiency measures being installed rather than the energy savings.
  - This will allow MEA to leverage standardized energy savings assumptions outlined in the Mid-Atlantic Technical Reference Manual (TRM) created by the Northeast Energy Efficiency Partnerships (NEEP).
  - This change allows MEA to better estimate the energy savings associated with this program.
  - To estimate energy savings, all of the energy metrics must be submitted. Incomplete energy reports will be returned and may delay reimbursement.

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Questions?

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